

ORIGINAL

MEMORANDUM



0000130345

Arizona Corporation Commission

DOCKETED

OCT 6 2011

TO: Docket Control

FROM: Steven M. Olea  
Director, Utilities Division

RECEIVED  
for SMD  
2011 OCT -6 P 4:11

DATE October 6, 2011

AZ CORP COMMISSION  
DOCKET CONTROL

DOCKETED BY

RE: WORKSHOP: GENERIC INVESTIGATION REGARDING GENERALIZED COST  
OF EQUITY FOR CLASS A, B, AND C WATER AND/OR WASTEWATER  
UTILITIES (DOCKET NO. WS-00000A-08-0194)

A workshop regarding a Generalized Cost of Equity ("COE") was held on June 16, 2011. The purpose of the workshop was to discuss the pros and cons of a periodic establishment of generalized COE information for potential use in Class A, B, and C water and/or wastewater utility rate cases. At the conclusion of that workshop, Arizona Corporation Commission ("Commission") Utilities Division Staff ("Staff") indicated that Staff had additional questions for industry participants and so would file those questions in the docket and schedule an additional workshop day to address the questions.

The fifth in a series of workshops to comply with the investigation ordered in Decision No. 71878 was held on June 24, 2011. The purpose of the workshop was to address (1) whether Infrastructure Coordination and Financing Agreements ("ICFAs"), or other mechanisms, if properly segregated and accounted for, could be utilized to finance the actual acquisition of troubled water companies, subject to Commission approval, and (2) whether ICFAs, if properly segregated and accounted for, would be appropriate for use in covering such expenses as a portion of the carrying costs associated with unused regional water and wastewater facilities or infrastructure which meets the Commission's objectives. Due to insufficient time, the discussions were terminated and one of the participants was not able to give his presentation. Because this ICFA workshop involves substantially the same group of stakeholders as the COE workshop, Staff indicated that both workshops could be completed on the same day.

Therefore, an additional day to complete the workshops in the above-named dockets is scheduled to be held on Friday, November 4, 2011, at 10:00 a.m., in the Commission Hearing Room, 1200 West Washington Street in Phoenix.

Parties who wish to be added to the service list in this docket should send notice of their interest, including a mailing address and an e-mail address, to Docket Control. Staff welcomes and appreciates the input of all interested parties. Please address any questions you may have regarding this matter to Nancy Scott (602) 542-0743 or Elijah Abinah (602) 542-6935.

SMO:cdb

Originator: Nancy Scott

## AGENDA

WORKSHOP: Compliance With Decision No. 71878 (Docket No. W-00000C-06-0149)

WORKSHOP: Generic Investigation Regarding Generalized Cost of Equity for Class A, B, and C Water and/or Wastewater Utilities (Docket No. WS-00000A-08-0194)

Friday, November 4, 2011

10:00 a.m.

Arizona Corporation Commission

Hearing Room

1200 W. Washington St.

Phoenix, AZ 85007

### Agenda

1. Welcome – Commission Staff
2. Further discussion regarding generalized cost of equity
3. Final presentation regarding Infrastructure Coordination and Financing Agreements (“ICFAs”)
4. Additional comments and discussion regarding ICFAs
5. Wrap-up and Next Steps

Service List for:

ACC Workshop: Compliance With Decision No. 71878 (Docket No. W-00000C-06-0149)

ACC Workshop: Generic Investigation Regarding Generalized Cost of Equity for Class A, B, and C  
Water and/or Wastewater Utilities (Docket No. WS-00000A-08-0194)

Bryan O'Reilly  
bor@snrllc.net  
50 South Jones Blvd., Ste. 1  
Las Vegas, Nevada 89107

Garry Hays  
ghays@lawgdh.com  
1702 E. Highland Ave., Ste. 204  
Phoenix, Arizona 85016

Michael T. Hallam  
mhallam@lrlaw.com  
Thomas Campbell  
tcampbell@lrlaw.com  
Lewis and Roca, LLP  
40 N. Central Ave., Ste. 1900  
Phoenix, Arizona 85004-4429

Thomas Broderick  
Thomas.broderick@amwater.com  
Arizona American Water Co.  
2355 West Pinnacle Peak Road, Suite 300  
Phoenix, Arizona 85027

Michele Van Quathem  
mvq@rcalaw.com  
Ryley Carlock & Applewhite  
One North Central Ave., Suite 1200  
Phoenix, Arizona 85004-4417

Graham Symmonds  
Graham.symmonds@gwresources.com  
Global Water  
21410 N. 19th Ave., Ste. 201  
Phoenix, Arizona 85027

Daniel Hodges  
Johnson Utilities, LLC  
5230 E Shea Blvd, Ste 200  
Phoenix, AZ 85284  
danielhodges@qwest.net

Michael W. Patten  
mpatten@rdp-law.com  
Timothy Sabo  
tsabo@rdp-law.com  
Roshka, DeWulf & Patten, PLC  
One Arizona Center  
400 East Van Buren St., Ste.800  
Phoenix, Arizona 85004

Court S. Rich  
crich@roselawgroup.com  
M. Ryan Hurley  
rhurley@roselawgroup.com  
Rose Law Group pc  
6613 N. Scottsdale Road, Ste. 200  
Scottsdale, AZ 85250

Mr. John Hackney  
Wells Fargo Securities  
301 South College Street  
MACD 1053-056  
Charlotte, North Carolina 28288  
John.Hackney@WellsFargo.com

Joseph D. Harris  
Vice President and Treasurer  
Arizona Water Company  
P.O. Box 29006  
Phoenix, AZ 85038-9006  
jharris@azwater.com

Jeffrey Crockett, Esq.  
Brownstein Hyatt Farber Schreck, LLP  
40 N Central Avenue, 14th Floor  
Phoenix, AZ 85004  
jcrockett@bhfs.com